

# **Background on Relevant Aspects of Clean Fuels Outlet Regulation**

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# Regulatory Documents

- 1990 Staff Report
- 1990 Final Statement of Reasons (FSOR) and chaptered regulation
- 1999 regulatory change proposal
- 2000 FSOR and modified regulation
- Post 2000 activities

# Designated Clean Fueled Vehicles (DCFVs) and Trigger

## 1990 Staff Report

- All vehicles/fuels that can certify to LEV standards
- Include both flex fueled vehicles (FFVs) and dedicated fueled vehicles
- FFVs must operate on clean fuel to realize air quality benefits

## 1990 ISOR rationale

- FFVs would comprise most of DCFVs in early years
- Dedicated vehicles would mostly be in fleets
- Methanol available through CEC's methanol demonstration program

*This rationale was used to support 20,000 vehicle activation trigger*

# Clean Fuel Distribution

## 1990 Staff report

- Distribution requirement:
  - gasoline suppliers distribute minimum assigned volumes of clean fuel into the marketing chain that moves fuel to stations
  - each suppliers volume based on their gasoline market share
- Recognized clean fuels:
  - Methanol, ethanol, LPG, CNG and electricity
  - CNG and electricity not in distribution requirement

# CNG and Electricity

## 1990 Staff Report

- utilities that sell CNG and electricity as vehicle fuel could earn credits to sell to regulated party

## 1990 FSOR changes – removed distribution requirement, and as a result

- removed compliance by CNG and electricity credits
- removed electricity from clean fuel definition and kept CNG contingent on CPUC determination
- contend that utilities will meet EV charging demands

## 1999 changes

- CPUC ruled that station owners can sell CNG and are not subject to CPUC regulation
- Added constructive allocation compliance option

# Regulated Party

## 1990 Staff Report

- RP is both gasoline suppliers who distribute the fuel AND owner/lessors who dispense the fuel
- Owner/lessor means whoever owns, leases or controls the outlet: franchisor, refiner or distributor, or outlet owner
- Minimum ownership level used to determine which owner/lessors must comply

## 1990 ISOR – in lieu of distribution requirement...

- Regulated party shifted to owner/lessors only
- Minimum number of outlets increased for early years
- Amenity requirements added (must market like gasoline)
- Joint liability applied to owner/lessor if they fail to respond to operator's supply request (when two parties are different)